

THE ONE-PERCENTERS IN GOVERNMENT

By Commissioner Xavier L. Suarez
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The argument in favor of taxing those at the top of the heap in the private sector has some merit - but also some counterpoints. Conservatives, who tend to be free-market enthusiasts, argue that we should not impede what appears as excessive income, both because it tends to disincentivize creativity and because it can have a negative trickle-down effect on productivity.

I am not persuaded by the argument against some restriction on huge, private-sector incomes, but whatever the merits of the argument when applied to trimming private sector incomes, it has no applicability whatsoever to the efforts of many of us in government to reduce the high salaries and benefits that have become commonplace in our counties and cities.

Reducing the salaries and benefits of management employees (aka the bureaucrats) has no downsides and many upsides. Let me elaborate by first explaining the theory of what is meant by "civil service" employment.

The concept of civil service is quite simple: the rank-and-file, or lower rungs in the employment ladder, are protected by rules that prevent changeovers with each new administration; conversely, the upper rungs in the ladder, occupied by management, are expected to change with each election and are not protected. (They are classic political appointees, who serve at the will of the elected officials.)

The only wrinkle in that basic rule is that when managers are dismissed from their high-level executive positions, they do have the right to regain their position in the civil service ranks. Now let's talk about salaries and benefits.

Because pension benefits are typically tied to a percentage of the highest salary earned, there are managers who can retire at 50 or 55 years old with pensions in the six-figure range.

Obviously no system, private or public, can absorb such generous benefits. But it should be kept in mind, as we reform a totally bloated bureaucracy, that the lower ranks of the civil service are filled with teachers, police officers, nurses and nurses' assistants, rescue technicians, parks, transit, solid waste and public works employees and others whose salaries never exceed \$50,000 and whose pensions never exceed one-third of that, or about \$15,000/year even after twenty years of service.

Those are the "ninety-nine percenters," and they are not the problem.

The problem is those who make salaries in the range of \$125,000 to \$300,000.

What is ironic is that, contrary to conventional wisdom, those are the easiest to replace. They are easy to replace because (1) they typically resign when their salaries are cut substantially, (2) they endure little hardship from retirement (given their handsome benefits), and (3) the work they do is not really very difficult.

There is no one in County government right now making \$200,000 or above that could not be replaced by someone just as qualified willing to do the job for half the salary.

No one.

You say you need a certain academic background? I can get you lawyers with great academic resumes, such as the city attorney from Hialeah, William Grodnick, who has a University of Pennsylvania Law

degree. After more than ten years as city attorney for the second largest city in the county, Mr. Grodnick makes \$149,000, or less than half of what the highest paid County attorney makes.

You want an MBA with ten years' experience or an MPA who has been an assistant director in another municipality and can only pay him \$100,000? Try putting an ad in the newspaper and see how many hundreds apply.

Miami-Dade County has a manager-to-employee ratio (called "span-of-control") of 1-5. This ratio is in stark contrast to the private sector, where a typical span-of-control ratio is eight to ten employees for each supervisor.

One County department (Fire) has 2,000 employees, of whom almost 700 are supervisors and no less than 80 have the title of "chief" something-or-other.

If we truly want to streamline the bureaucracy, we should start at the top, with the "one-percenters."

We need to reduce their ranks and their salaries to something manageable.

We might find that, in the process, the administration of an agency whose services have not changed substantially in half a century becomes much more efficient, as the number of supervisors is reduced and the number of field employees is increased.

And we will have a lot more people to fill the ever-growing number of potholes in our county.